



**STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
STATE CAPITOL  
NASHVILLE, TENNESSEE 37243-0285**

**DAVE GOETZ  
COMMISSIONER**

FOR IMMEDIATE RELEASE  
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**MAY REVENUES**

NASHVILLE - Finance and Administration Commissioner Dave Goetz reported today that overall May revenues were \$792.1 million or \$7.4 million less than the state budgeted.

"We usually have a spike in franchise and excise tax collections in April, and a decline in May, but these volatile collections have been difficult to predict for the last couple of years," Goetz said. "Our main source of revenue, the sales tax, continues to be fairly stable, but still under projections."

On an accrual basis, May is the tenth month in the 2006-2007 fiscal year.

The general fund was under-collected by \$3.1 million, and the four other funds were under-collected by \$4.3 million.

Sales tax collections were \$4.0 million more than the estimate for May. The May growth rate was 3.04%. For ten months revenues are under-collected by \$25.3 million. The year-to-date growth rate for ten months was 4.55 percent.

Franchise and excise taxes combined were \$9.6 million below the budgeted estimate of \$50.6 million. For ten months revenues are over-collected by \$153.5 million.

Inheritance and estate tax collections were \$8.2 million above the May estimate. For ten months collections are \$29.2 million above the budgeted estimate.

Gasoline and motor fuel collections for May decreased by 4.2 percent. For ten months revenues are over-collected by \$9.0 million.

Year-to-date collections for ten months were \$249.8 million more than the budgeted estimate. The general fund was over collected by \$215.0 million and the four other funds were over collected by \$34.8 million.

The budgeted revenue estimates are based on the State Funding Board's consensus recommendation adopted by the second session of the 104<sup>th</sup> General Assembly in May of 2006.

<p align="center"><b>REVENUE COLLECTIONS</b>  <b>MAY, 2007, AND 10 MONTHS YEAR-TO-DATE</b></p>
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**May Collections:**

	<b>Budgeted Accrual Estimate</b>	<b>Actual</b>	<b>Difference</b>
General Fund	\$650,359,000	\$647,291,000	(\$3,068,000)
Highway Fund	59,528,000	53,862,000	(5,666,000)
Sinking Fund	25,721,000	25,752,000	31,000
City & County Fund	61,418,000	62,683,000	1,265,000
Earmarked Fund	2,518,000	2,554,000	36,000
<b>Total</b>	<b>\$799,544,000</b>	<b>\$792,142,000</b>	<b>(\$7,402,000)</b>

**Year-To-Date Collections:**

	<b>Budgeted Accrual Estimate</b>	<b>Actual</b>	<b>Difference</b>
General Fund	\$7,268,690,000	\$7,483,713,000	\$215,023,000
Highway Fund	537,592,000	546,021,000	8,429,000
Sinking Fund	258,636,000	258,409,000	(227,000)
City & County Fund	653,404,000	679,606,000	26,202,000
Earmarked Fund	26,463,000	26,802,000	339,000
<b>Total</b>	<b>\$8,744,785,000</b>	<b>\$8,994,551,000</b>	<b>\$249,766,000</b>

**TABLE 1**  
**TENNESSEE DEPARTMENT OF REVENUE**  
**COMPARATIVE STATEMENT OF COLLECTED REVENUES**

Class of Tax	May			
	2006	2007	Change	Percent
Franchise & Excise	\$57,539,000	\$41,037,000	-\$16,502,000	-28.68%
Income	5,164,000	9,299,000	4,135,000	80.07%
Inheritance & Estate	2,091,000	11,539,000	9,448,000	451.84%
Gasoline	53,240,000	51,589,000	-1,651,000	-3.10%
Petroleum Special	5,582,000	5,377,000	-205,000	-3.67%
Tobacco	11,295,000	9,220,000	-2,075,000	-18.37%
Beer	1,623,000	1,555,000	-68,000	-4.19%
Motor Vehicle Registration	23,772,000	21,372,000	-2,400,000	-10.10%
Motor Vehicle Title	1,010,000	957,000	-53,000	-5.25%
Mixed Drink	4,208,000	4,584,000	376,000	8.94%
Business	(2,807,000)	1,286,000	4,093,000	145.81%
Privilege	51,221,000	47,482,000	-3,739,000	-7.30%
Gross Receipts	115,000	25,000	-90,000	-78.26%
TVA - In Lieu of Tax Payments	18,344,000	21,114,000	2,770,000	15.10%
Alcoholic Beverage	3,268,000	3,420,000	152,000	4.65%
Sales and Use	532,294,000	548,476,000	16,182,000	3.04%
Motor Vehicle Fuel	14,855,000	13,590,000	-1,265,000	-8.52%
Severance	147,000	95,000	-52,000	-35.37%
Coin-operated Amusement	3,000	5,000	2,000	66.67%
Unauthorized Substance	64,000	120,000	56,000	87.50%
Total	\$783,028,000	\$792,142,000	\$9,114,000	1.16%

**TABLE 2**  
**TENNESSEE DEPARTMENT OF REVENUE**  
**COMPARATIVE STATEMENT OF COLLECTED REVENUES**

Class of Tax	August - May			
	2005-2006	2006-2007	Change	Percent
Franchise & Excise	\$1,179,487,000	\$1,396,184,000	\$216,697,000	18.37%
Income	189,899,000	246,018,000	56,119,000	29.55%
Inheritance & Estate	65,069,000	91,136,000	26,067,000	40.06%
Gasoline	501,135,000	504,685,000	3,550,000	0.71%
Petroleum Special	53,363,000	53,921,000	558,000	1.05%
Tobacco	105,453,000	112,617,000	7,164,000	6.79%
Beer	14,971,000	15,066,000	95,000	0.63%
Motor Vehicle Registration	205,406,000	213,200,000	7,794,000	3.79%
Motor Vehicle Title	9,087,000	9,211,000	124,000	1.36%
Mixed Drink	40,539,000	44,208,000	3,669,000	9.05%
Business	12,503,000	15,648,000	3,145,000	25.15%
Privilege	257,502,000	263,004,000	5,502,000	2.14%
Gross Receipts	13,295,000	14,575,000	1,280,000	9.63%
TVA - In Lieu of Tax Payments	183,331,000	205,248,000	21,917,000	11.95%
Alcoholic Beverage	32,944,000	34,204,000	1,260,000	3.82%
Sales and Use	5,376,876,000	5,621,364,000	244,488,000	4.55%
Motor Vehicle Fuel	150,216,000	151,452,000	1,236,000	0.82%
Severance	1,501,000	1,272,000	-229,000	-15.26%
Coin-operated Amusement	66,000	96,000	30,000	45.45%
Unauthorized Substance	806,000	1,442,000	636,000	78.91%
Total	\$8,393,449,000	\$8,994,551,000	\$601,102,000	7.16%

**TABLE 3**  
**AUGUST - MAY REVENUE OVERCOLLECTIONS/(UNDERCOLLECTIONS)**  
**BUDGETED ESTIMATE**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Sales Tax	\$ (24,200,000)	\$ (1,100,000)	\$ (25,300,000)
Income Tax	30,400,000	15,300,000	45,700,000
Inheritance Tax	29,200,000	0	29,200,000
Privilege Tax	3,100,000	300,000	3,400,000
Business Tax	900,000	0	900,000
TVA	9,100,000	6,300,000	15,400,000
Gross Receipts	500,000	0	500,000
Gasoline & Motor Fuel Taxes	100,000	8,900,000	9,000,000
Motor Vehicle Registration	(100,000)	3,800,000	3,700,000
Other Taxes	12,500,000	1,300,000	13,800,000
<b>Sub-Total</b>	<b>\$ 61,500,000</b>	<b>\$ 34,800,000</b>	<b>\$ 96,300,000</b>
F & E Taxes	153,500,000	0	153,500,000
<b>Total</b>	<b>\$ 215,000,000</b>	<b>\$ 34,800,000</b>	<b>\$ 249,800,000</b>